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AUG 18 1997

J. DAVID NAVARRO, Clerk  
BY DIANE M. OATMAN  
DEPUTY

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STATE OF IDAHO

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State of Idaho  
Department of Finance  
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**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA**

STATE OF IDAHO, Department of Finance,	)	
	)	Civil No. CV OC 9702700D
Plaintiff,	)	
	)	<b>STIPULATION FOR JUDGMENT</b>
vs.	)	<b>AND PERMANENT INJUNCTION</b>
	)	
KidZtime TV, Inc., Capital Funding & Financial	)	
Group, Inc., Tri-State Marketing, Inc.,	)	
and Diane Puliafico,	)	
	)	
Defendants.	)	
	)	

COMES NOW the Plaintiff, by and through counsel, and Defendants KidZtime TV, Inc., Capital Funding & Financial Group, Inc., Tri-State Marketing, Inc., and Diane Puliafico (Defendants), by and through counsel, in order to avoid prolonged litigation, to stipulate and agree as follows:

1. The Defendants enter their appearance in this action and submit themselves to the

jurisdiction of the above entitled Court.

2. The Plaintiff has authority to bring this action; this Court has jurisdiction over the subject matter of this action and over the parties hereto; and, the complaint on file herein states a cause of action for injunctive relief against the Defendants.

3. The Defendants neither admit nor deny that they violated the Idaho Securities Act as alleged in the complaint herein.

4. The Defendants agree to no longer sell or offer for sale investment interests in KidZtime TV or KidZtime TV Affiliates in the State of Idaho or to residents of Idaho, or to direct offers of sale of KidZtime TV or KidZtime TV Affiliates into the State of Idaho.

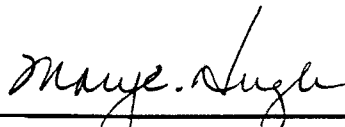
5. The Defendants agree that the Judgment and Permanent Injunction attached hereto may be entered against them and they hereby consent to the entry thereof.

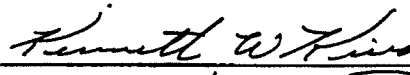
6. Said Judgment and Permanent Injunction shall constitute a final resolution of all issues presented in Plaintiff's complaint as to the Defendants, and may be presented to the Court immediately or at any time convenient to the Court, without the necessity of findings of fact or conclusions of law or further pleadings or proceedings in this matter.

7. All stipulating parties shall bear their own attorney's fees and costs of litigation.

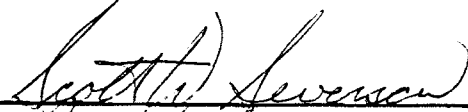
DONE this <sup>August</sup> ~~14th~~ day of ~~June~~, 1997.

KIDZTIME TV, INC.

  
\_\_\_\_\_  
MARY E. HUGHES  
Deputy Attorney General  
Counsel for Plaintiff

By:   
Title: Secretary

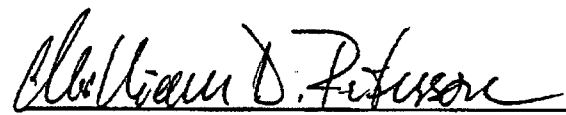
**CAPITAL FUNDING & FINANCIAL  
GROUP, INC.**

By:   
Title: President

**TRI-STATE MARKETING, INC.**

By:   
Title: VP of Marketing

  
**DIANE PULLIAFICO**

  
**WILLIAM D. PETERSON**  
Counsel for Defendants